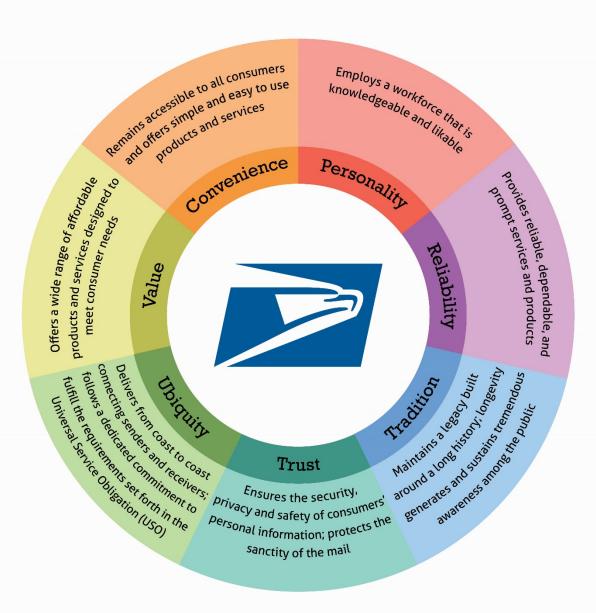
SERVICE PERFORMANCE AND MEASUREMENT

Postal 360 Event

Office of Inspector General, U.S. Postal Service

Laraine Balk Hope November 16, 2016



SERVICE: KEY TO THE POSTAL BRAND

Source: OIG white paper
The Value of the U.S. Postal Service Brand
February 2015

OVERVIEW

- PAEA and Service Standards (Market Dominant)
- Service Performance vs. Service Measurement
- Postal Service Changes in Service Standards
- GAO Report
- Recent PRC Cases
- Upcoming 10-Year Review
- Different Perspectives

ESTABLISHMENT OF MODERN SERVICE STANDARDS

From Title 39, U.S. Code § 3691

a) Authority Generally - Not later than 12 months after the date of enactment of this section, the Postal Service shall, in consultation with the Postal Regulatory Commission, by regulation establish (and may from time to time thereafter by regulation revise) a set of service standards for market-dominant products.

SERVICE STANDARD TIMELINE I

Market Dominant Produ**c**ts

Pre-PAEA

Service standards existed; not mandated MTAC and USPS Define Service Standards (2007)

Standard Mail Load Levelling (April 2014)





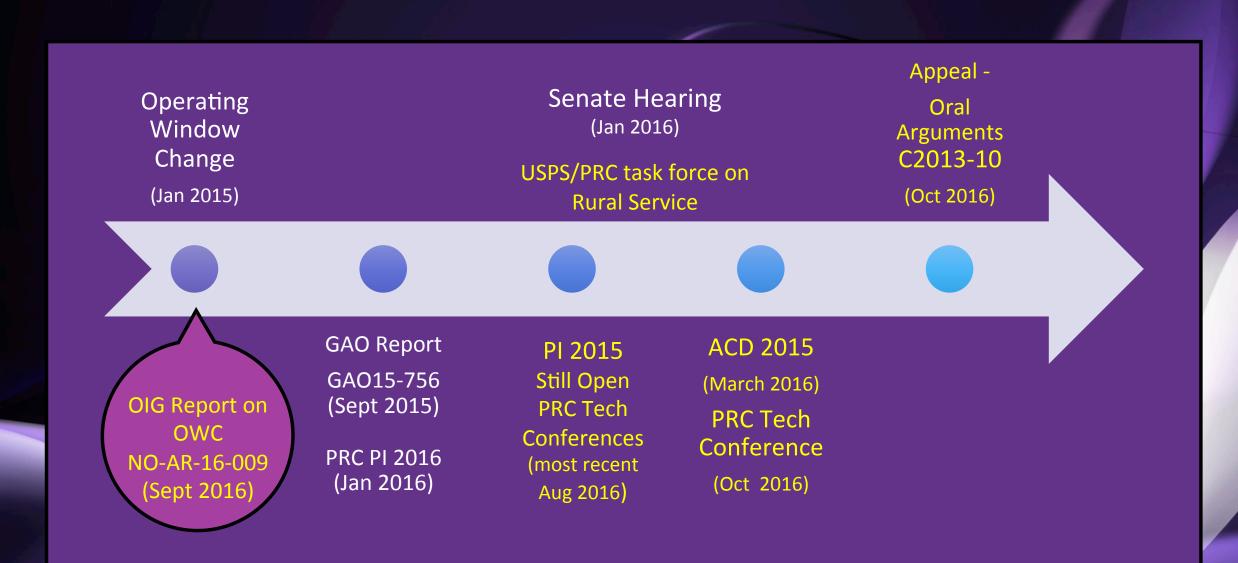


PAEA Enacted (Dec 2006)

PRC Approves
PI2007-1
PI2008-1

Network Rationalization (2012 – present)

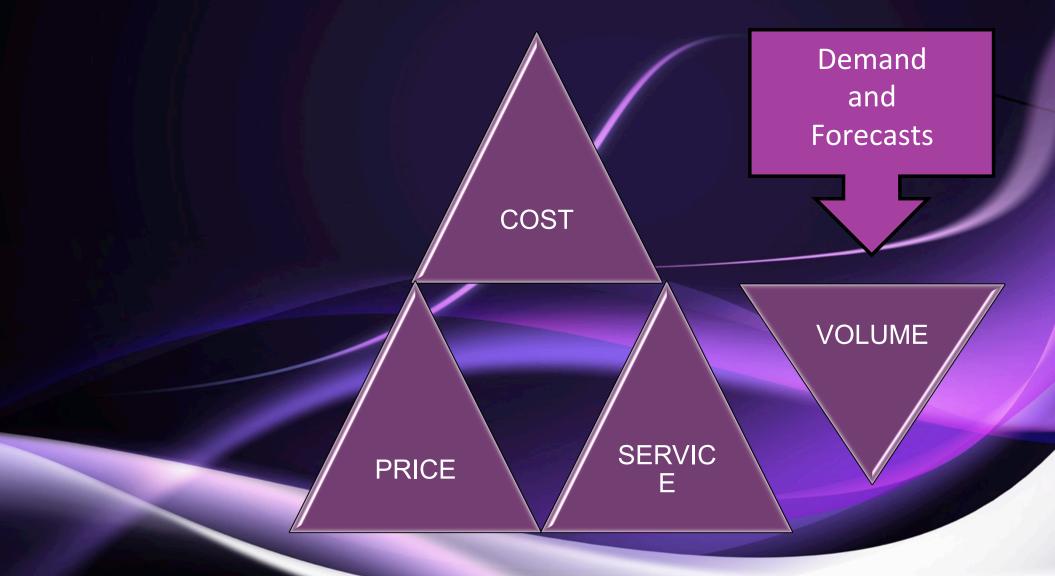
SERVICE STANDARD TIMELINE II



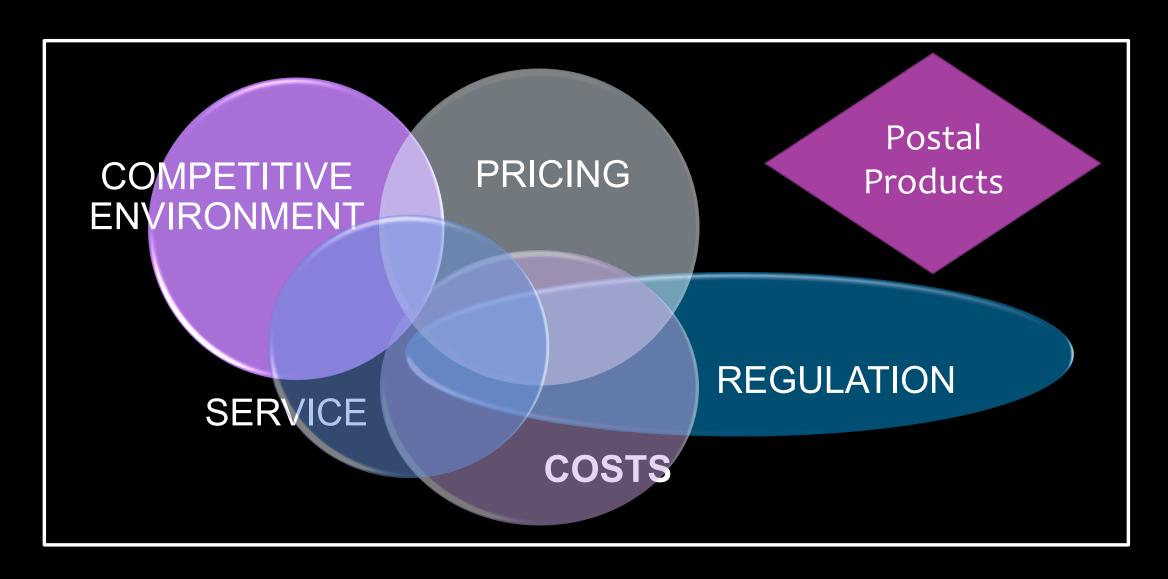
RELATED ISSUES

- Macroeconomy and Competitive Pressures
- Costs
- Rollout of FSS (affects flats costs and service time)
- Rural Mail Service and Performance Measurement
- Tail of the Mail
- Other

COMPETITIVE ADVANTAGE



STRATEGIC RELATIONSHIPS ARE COMPLEX



PERFORMANCE AND MEASUREMENT ISSUES

- Service Time (CETs, FAST, etc.)
- Service vs. Operational Measurements
- Replace EXFC with Internal Measurements?
- Census vs. Statistical Sampling?
- Service and Pricing
- Upcoming 10-Year Review

MANY DYNAMIC INTERRELATIONSHIPS

INDUSTRY PLAYERS

- USPS
- MAILERS
- RECIPIENTS
- URBAN vs. RURAL
- UNIONS

OVERSIGHT

- CONGRESS (Senate & House)
- PRC
- OIG
- GAO
- U.S. COURTS

DIFFERENT PERSPECTIVES

- Major Mailers (Kathy Siviter)
- U.S. Postal Service (Keith Weidner)
- Postal Regulatory Commission (Curtis Kidd)
- GAO (Lori Rectanus)

GENERAL DISCUSSION